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Report of the Trade and Development Board on its forty-fourth executive session*

Geneva, 10 July 2008

I. Opening of the session

1. The session was opened by Mr. Petko Draganov (Bulgaria), President of the Trade and Development Board.

A. Opening statements

President's summary

2. The Secretary-General of UNCTAD made an introductory statement, in which he said that the focus of the organization's work for the next four years would be oriented towards growth and trade integration. As far as growth was concerned, he identified the following areas as key to African development strategies: investment, particularly in light of Africa's extremely limited share of global foreign direct investment; productive capacity; infrastructure; agriculture; inclusive growth, which would mean making better use of the potential of women and young people; and harnessing knowledge, particularly in the area of science and technology. As for trade integration, he said that UNCTAD's focus should be on: issues related to the multilateral trading system, notably the Integrated Framework for Trade-related Technical Assistance to Least Developed Countries, the Aid for Trade initiative, the Doha Development Agenda and the Economic Partnership Agreements; capacity-building at the national level; regional integration; South-South and triangular cooperation; commodities; and standard-setting, in the area of organic agriculture, for example.

* The present document is an advance version of the report of the Trade and Development Board on its forty-fourth executive session, held at the United Nations Office at Geneva on 10 July 2008. It will appear in final form, together with the reports of the forty-third executive session, the twenty-fourth special session and the fifty-fifth session of the Board, as *Official Records of the General Assembly, Sixty-third Session, Supplement No. 15* (A/63/15).

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3. In the general discussion following the Secretary-General's statement, many delegates referred to the general development trends in Africa before expressing their views on UNCTAD activities related to Africa. They noted that while the international community had expressed concern about the situation in Africa, aid disbursement by traditional donors had not matched their public commitments. Given that most African countries were not on track to achieve the Millennium Development Goals, many delegates stressed the need for greater support for activities in favour of Africa. It was pointed out that the various emergencies in Africa had heightened the sense of solidarity among African countries.

4. One delegate highlighted the rapid progress in South-South linkages between African and Asian developing countries, not only in their trade and investment relations but also in technical cooperation activities. It was pointed out that the sixth Tokyo International Conference on African Development (TICAD VI), held in May 2008, and the G-8 Hokkaido Toyako Summit, held in July 2008, reflected the strong attachment of traditional donors, and particularly the host country, Japan, to African development. Attention was drawn to the fact that member States of the European Union had recently reaffirmed their collective target for official development assistance of 0.56 per cent of gross national income by 2010, and 0.7 per cent by 2013. Nevertheless, several delegates from developing countries highlighted the urgent need to provide immediate assistance to Africans through food aid programmes, given that the hardest-hit victims of the current worldwide price hikes in food and energy were to be found in Africa.

5. Many delegates felt that the outcomes of UNCTAD XII — the Accra Declaration and the Accra Accord — reflected a renewed momentum on the part of the international community, including traditional donors, to assist developing countries. Most of the delegates who took the floor expressed their appreciation to UNCTAD for undertaking a wide range of activities for Africa, including research and policy analysis and technical cooperation. They recognized the practical merits of the technical cooperation programmes in Africa that contained trade-related capacity-building elements. Delegates from developed and developing countries alike encouraged UNCTAD to continue with such programmes with a view to contributing to the achievement of the Millennium Development Goals. Many delegates highlighted the importance of commodities, a subject that had attracted considerable attention recently as it was closely related to food security, trade facilitation and investment. Some delegates, particularly from developing countries, expressed support for increasing the resources available for UNCTAD's work on commodities.

II. Adoption of the agenda and organization of work

(Agenda item 1)

6. At its opening plenary meeting, the Board adopted the provisional agenda contained in document TD/B/EX(44)/1. Accordingly, the agenda for the executive session was as follows:

1. Adoption of the agenda and organization of work
2. Activities undertaken by UNCTAD in favour of Africa

3. Matters requiring action by the Board arising from or related to reports and activities of its subsidiary bodies:

   (a) Agenda for the first session of the Trade and Development Commission

   (b) Agenda for the first session of the Investment, Enterprise and Development Commission

   (c) Topics for expert meetings

4. Institutional, organizational, administrative and related matters:

   – Provisional calendar of meetings for the remainder of 2008 and for 2009

5. Other business

6. Report of the Board on its forty-fourth executive session

III. Activities undertaken by UNCTAD in favour of Africa

(Agenda item 2)

7. The Director of the Division for Africa, the Least Developed Countries and Special Programmes briefed the Board on UNCTAD's activities in favour of Africa in the past year, as described in document TD/B/EX(44)/2. He said that Africa had been and would continue to be a major focus of UNCTAD's activities in pursuance of the strengthened mandates derived from the Accra Accord. The continuing demand from African countries for UNCTAD's technical cooperation activities — including Asycuda, DMFAS and support in the areas of trade negotiations, commercial diplomacy and port services — was a positive indicator of their usefulness. He noted that the improvements in Africa's export performance had been limited, as the focus had been on reducing government intervention in the economy without addressing the structural problems related to the production and marketing of exports in the agricultural and manufacturing sectors. The focus should now shift to easing those problems. To that end, the results of UNCTAD's research into how African countries could improve their economic performance by mobilizing their own financial resources had been distilled into a handbook, which he hoped would be published in time for the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus in November 2008.

Action by the Board

8. The Board took note of the report by the Secretary-General of UNCTAD on "Activities undertaken by UNCTAD in favour of Africa" (TD/B/EX(44)/2).

IV. Matters requiring action by the Board arising from or related to reports and activities of its subsidiary bodies

(Agenda item 3)

(a) Agenda for the first session of the Trade and Development Commission

9. At its closing plenary meeting, on 10 July 2008, the Trade and Development Board approved the following agenda for the first session of the Trade and Development Commission:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Reports of expert meetings
   - (a) Reports of the multi-year expert meetings[1]
   - (b) Report of the Intergovernmental Group of Experts on Competition Law and Policy
   - (c) Reports of the single-year expert meetings[1]
4. Energy-related issues from the trade and development perspective
5. Promoting and strengthening synergies among the three pillars
6. Other business
7. Adoption of the report of the Commission to the Trade and Development Board

(b) Agenda for the first session of the Investment, Enterprise and Development Commission

10. At the same meeting, the Trade and Development Board approved the following agenda for the first session of the Investment, Enterprise and Development Commission:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Reports of expert meetings
   - (a) Reports of the multi-year expert meetings[1]
   - (b) Report of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting
   - (c) Reports of the single-year expert meetings[1]
4. Creating an environment conducive to productive capacity-building
5. Exchange of experiences: investment policy reviews, lessons learned and best practices
6. Promoting and strengthening synergies among the three pillars

[1] The titles of the expert meetings will be added to the agenda once they have been agreed.

7. Other business

8. Adoption of the report of the Commission to the Trade and Development Board

(c) Topics for expert meetings

11. Also at its closing plenary meeting, the Trade and Development Board approved the following topics for multi-year expert meetings:

(a) Transport and trade facilitation;

(b) Enterprise development policies and capacity-building in science, technology and innovation;

(c) Services, development and trade: the regulatory and institutional dimension;

(d) Commodities and development (as agreed in paragraph 208 of the Accra Accord);

(e) Investment for development.

12. The Board approved the terms of reference for the first three topics (see annexes I-III) and authorized the extended Bureau to finalize the terms of reference for the two other topics. It also authorized the extended Bureau to finalize the selection process and approve the topics and terms of reference for the three remaining expert meetings. In that context, the Board urged the secretariat, where appropriate, to work in close cooperation with other parts of the United Nations system, in accordance with paragraph 180 of the Accra Accord.

V. Institutional, organizational, administrative and related matters

(Agenda item 4)

Provisional calendar of meetings for the remainder of 2008 and for 2009

13. At its closing plenary meeting on 10 July 2008, the Trade and Development Board approved the calendar of meetings for the remainder of 2008 and a provisional calendar for the first half of 2009, as contained in document TD/B/Inf.212.

VI. Report of the Board on its forty-fourth executive session

(Agenda item 6)

14. Also at its closing plenary meeting, the Trade and Development Board authorized the Rapporteur to finalize the report on its executive session.

Annex I

Multi-year expert meeting on transport and trade facilitation

Terms of reference

Objectives

In accordance with paragraphs 107 and 164-168 of the Accra Accord, the multi-year expert meeting will address trade logistics issues in developing countries, in particular in the least developed countries and countries with special needs in accordance with the Accra Accord. "Trade logistics" refers here to all services and actions required to move goods along global supply chains. The multi-year expert meeting will aim to hold interrelated discussions on trade, investment, services and aspects of technical assistance and capacity-building, and on how they interact with trade and transport facilitation measures. To achieve this, the multi-year expert meeting will call on different units of UNCTAD to contribute their specific expertise to a coherent discussion of transport and trade facilitation. The ultimate objective of the multi-year expert meeting will be to identify policy actions based on best practices, including private and public partnership initiatives, with a view to ensuring effective trade facilitation measures and efficient transport services that support and enhance the trade competitiveness of developing countries.

Thematic issues

The multi-year expert meeting will deal with transport and trade facilitation issues in an integrated manner and will consider the following topics:

1. Measures and actions to optimize the contribution of investment, in particular private sector investment, in trade facilitation, with a particular focus on its impact on international transport networks and on the efficiency of transport services and their contribution to trade facilitation: the use of information and communication technologies in logistics, trade facilitation and supply chain security (*all sessions*);

2. Best practices for public-private partnerships in developing infrastructure: inadequate and poorly maintained infrastructure is one of the biggest barriers to efficient transport and connectivity. By working with private stakeholders, the Governments of developing countries can leverage capital for investment in infrastructure and promote improved and coordinated infrastructure planning (*year 2*);

3. Emerging challenges affecting transport costs and connectivity: in particular the impact of high fuel prices and high freight rates, climate change and supply-chain security imperatives for access to cost-efficient and sustainable international transport services, especially for the least developed countries, landlocked developing countries and small island developing States; and improving transit and transport infrastructure and associated services in transit developing countries (*year 1, with follow-up in year 3*);

4. The regulatory and legal framework for transport and trade facilitation, as well as the effective implementation of agreed rules and standards (*year 1, with follow-up in year 3*);

5. UNCTAD's contribution to the effective implementation of trade facilitation measures within the framework of Aid for Trade, including commitments ensuing from the World Trade Organization negotiations on trade facilitation (*as soon as relevant in light of progress in the Doha Round of trade negotiations*);

6. Support for the implementation of the Almaty Programme of Action, including an analysis of bottlenecks between landlocked and transit developing countries and possible solutions to that problem, including best practices in the development and use of transport infrastructure, as well as the adoption of common standards, in landlocked and transit developing countries (*years 2 and 4*).

Expected outcome

Overall, the multi-year expert meeting on transport and trade facilitation should help developing countries to enhance their trade competitiveness through reduced transaction and transport costs and improved transport connectivity. Reaching these objectives will require the reinforcement of transit and transport infrastructure, the promotion of trade facilitation and a strengthened legal framework. Accordingly, it is expected that the expert meeting will contribute to the development of specific proposals and practical solutions for reforms and improvements in transport infrastructure and operations, as well as for procedures at border crossings and ports.

Networks

The multi-year expert meeting will benefit from and will further strengthen well-established networks in the area of transport, transit and trade facilitation. The networks will bring together participants from previous expert meetings, including policymakers and representatives of industry, such as port authorities, port and terminal operators, shipping lines, road and rail transport operators, freight-forwarding associations and international trade-related business associations. Relevant international organizations, such as members of the Global Facilitation Partnership for Transportation and Trade and the organizations referred to in Annex D of the Doha Development Round "July Package", are expected to be part of these networks.

Target participants

Policymakers and decision-making officials in trade ministries, transport ministries and Customs administrations.

Annex II

Multi-year expert meeting on enterprise development policies and capacity-building in science, technology and innovation

Terms of reference

Objectives

The multi-year expert meeting will seek to identify policies and best practices in encouraging the formation and international competitiveness of small and medium-sized enterprises (SMEs) in developing countries, especially the least developed countries, Africa and countries with special needs in accordance with the Accra Accord, as well as countries with economies in transition. This will include the identification of existing national and international support measures and good practices for SME development and internationalization. The multi-year expert meeting will review policies to strengthen entrepreneurship, including knowledge, abilities, skills and behaviours. It will also focus on improving the institutional system so that it can efficiently deliver business development services. The meeting will analyse the characteristics of SMEs that innovate and internationalize, and the policies and measures likely to encourage the growth of such SMEs and their linkages with large domestic and foreign corporations (Accra Accord, paras. 154 and 155).

Another objective of the multi-year expert meeting will be to highlight the lessons drawn from the experience of successful (and unsuccessful) case studies, to showcase effective ways to apply science, technology and innovation (STI) capacity-building to development, and to show how countries can use such lessons to improve the productivity, innovation and competitiveness of their enterprises through the transfer and diffusion of technology and the promotion of innovation, taking into account the results of UNCTAD's science, technology and innovation policy reviews.

Main issues and workplan

Enterprise development and STI are multifaceted and multidisciplinary subjects. The multi-year expert meeting will deal with four sets of interrelated policy issues:

1. Measures (including national and subnational measures) to promote entrepreneurship and enterprise formation. These will include measures to:

   - Develop entrepreneurship to establish vision, set strategy and create a culture in which small firms can grow;
   - Identify the role of clusters and industrial parks in promoting the development and upgrading of SMEs;
   - Encourage transparency and simplification of the regulatory and administrative framework for enterprise establishment.

2. Review of policies to strengthen entrepreneurship among women and youth by:

   - Raising awareness and harnessing the creativity of youth and women (e.g. Women in Business Awards, Youth Entrepreneurship Week);
   - Empowering young people to become entrepreneurs (e.g. incentives for commercialization);
   - Identifying policies, attitudes and regulations that hinder women and youth entrepreneurship, and identifying ways to overcome such hindrances.

3. SMEs' international competitiveness and their integration into global value chains, including issues related to their ability to meet customer demands in the area of corporate social responsibility. Under this subject, the expert group may address:

   - Tools and strategies to encourage the adoption by SMEs of good business practices and technical and management standards;
   - The role that business linkages with large firms could play in promoting corporate social responsibility among SMEs, especially medium-sized firms;
   - The use of linkages between SMEs and research and development, technical and professional institutions to promote competitiveness and the integration of SMEs into global value chains;
   - Different approaches to the clustering of SMEs and how this could serve as a tool for promoting responsible business practices and competitiveness of SMEs.

4. (a) How can STI capacity-building, through, inter alia, technology transfer, help countries establish an environment to generate the wealth and income needed to reduce poverty and promote economic growth, and what do countries need to do to help their enterprises with regard to innovation and technological upgrading?

   (b) How can STI capacity-building, through, inter alia, technology transfer, help advance internationally agreed development goals, including the Millennium Development Goals, including through improving agricultural productivity, bringing clean water and decentralized energy to rural areas and providing other services, and narrowing technological gaps, with a special focus on the role of women and youth?

   (c) How should policymakers allocate scarce resources to different capacity-building objectives and what specific capacities are the highest priorities for any given country at a given stage of development? How can development cooperation more effectively support such efforts?

In terms of the workplan, topics 1 and 4 (a) could be the main agenda items in the first year, topics 2 and 4 (b) in the second, and topics 3 and 4 (c) in the third. The last session will finalize the outcomes of the multi-year expert meeting.

Expected outcomes

The meeting will, as appropriate, produce as its outcomes:

- An exchange of experiences with a view to possibly establishing best practices in enterprise development and entrepreneurship development;
- Benchmarks and toolkits for assessing national business environments;
- Policy recommendations and guidelines on measures to promote innovation entrepreneurship, especially among women and youth;
- The identification of a set of key lessons learned for STI policymaking: fundamental elements of an enabling STI environment; available policy options for technological learning and catch-up in developing countries, with special reference to the least developed countries; and best practices in assessing the effectiveness of national STI policies;
- Enhanced understanding of practical approaches to integrating STI into development strategies and development cooperation.

Target experts

The meeting will serve as a leading forum on enterprise development and capacity-building in the field of science, technology and innovation. Country experts will be invited from ministries such as ministries of trade, investment, industry, science and technology, as well as from the private sector, and will support institutions such as Empretec centres and science and technology councils.

Annex III

Multi-year expert meeting on services, development and trade: the regulatory and institutional dimension

Terms of reference

Objectives

The Accra Accord places priority emphasis on the importance of the services sector and its potential for creating development benefits. It recognizes that the services economy is the new frontier for the expansion of trade, productivity and competitiveness and that it is crucial for the provision of essential services and universal access in developing countries, especially in the least developed countries.

Devising national and regional strategies and complementary policies as well as building regulatory frameworks and institutions with the objective of developing competitive service sectors is important (Accra Accord, paras. 55, 80-82 and 94). The objective of the multi-year expert meeting is to assist developing countries, especially Africa, the least developed countries and countries with special needs in accordance with the Accra Accord, as well as countries with economies in transition, in establishing regulatory and institutional frameworks and cooperative mechanisms to support strengthening of their domestic services capacity and its efficiency, competitiveness and export capacity (para. 94 (b)).

Main issues

The experts will review the following issues, with a specific focus on infrastructural services (e.g. financial services, including insurance; telecommunication services; and transport services) and linkages with business and tourism services:

1. The trends and salient features of regulatory and institutional frameworks for services, development and trade (*all sessions*);

2. The efficiency and effectiveness of regulatory and institutional frameworks and their interaction with supply capacities, non-trade related objectives, including universal access policies, and trade liberalization (*years 1, 2 and 3*);

3. The exchange of experiences and best practices in building human capital and institutional and regulatory frameworks based on sectoral and modal (including Mode 4) case studies and policy reviews (*all sessions*);

4. Cooperative mechanisms for institutional and regulatory frameworks, including in the private and public sectors and at the South-South and North-South levels (*year 2*);

5. Trade agreements, regulatory and institutional frameworks and regulatory barriers to exports (*years 2 and 3*);

6. An assessment of the impact of the above on development and the identification of practical solutions, options, capacity-building programmes and indicative guidelines or checklists of best practices for policymakers and regulators (*year 4*).

When reviewing the above issues, particular emphasis shall be given to the situation of Africa and the least developed countries.

Outcomes

The multi-year expert meeting, as a forum or hub for substantive and technical networking, will contribute to the creation of a community of first-rate experts on services, development and trade (including policymakers, trade negotiators, regulators, coalitions of service industries, research institutions and civil society). More broadly, it will contribute to: (a) an enhanced global understanding and knowledge base with regard to cutting-edge analysis of national and international policies, regulations and institutions and the sharing and distilling of best practices in harnessing the services sector and services trade for development and reaping the benefits of globalization; (b) support for policymakers and regulators in improving regulatory and institutional outcomes and reducing the risk of regulatory failure, while best achieving domestic policy priorities; (c) the increased participation of developing countries in international trade and trade negotiations on services at the global and regional levels, including both North-South and South-South; (d) consensus-building and facilitation of international cooperation; (e) the achievement of internationally agreed development goals, including the Millennium Development Goals, many of which are service-related; (f) the identification of areas for deeper research and analysis and the creation of a network of research institutions focusing on issues relevant to services development and trade and the respective regulatory and institutional frameworks; and (g) publications and the dissemination of research and analysis, including through web-based tools.

Target audience

Policymakers and regulators in the field of services, trade negotiators, research institutions, civil society, coalitions of services industries and the private sector.

Annex IV

Attendance[a]

1. Representatives of the following States members of the Trade and Development Board attended the session:

Afghanistan
Albania
Angola
Austria
Bangladesh
Barbados
Belarus
Benin
Brazil
Bulgaria
Burkina Faso
Burundi
Chad
China
Congo
Côte d'Ivoire
Cuba
Czech Republic
Democratic Republic of the Congo
Dominican Republic
Egypt
El Salvador
Finland
France
Gabon
Germany
Ghana
Greece
Haiti
India
Indonesia
Iran (Islamic Republic of)
Iraq
Israel
Italy
Jamaica
Japan
Kazakhstan
Lebanon
Malaysia
Mali
Mauritania
Mauritius
Mexico
Nepal
Netherlands
Nigeria
Pakistan
Philippines
Poland
Portugal
Qatar
Russian Federation
Saudi Arabia
Serbia
Singapore
South Africa
Spain
Switzerland
Syrian Arab Republic
Thailand
The former Yugoslav Republic of Macedonia
Tunisia
United States of America
Venezuela (Bolivarian Republic of)
Zambia
Zimbabwe

2. Representatives of the following States members of UNCTAD that are not members of the Trade and Development Board attended the session:

Cambodia
Niger

[a] For the list of participants, see TD/B/EX(44)/Inf.1.

3. The following intergovernmental organizations were represented at the session:

African Union
Asian Development Bank
European Community
League of Arab States
International Organization of la francophonie

4. The following United Nations organs, programmes or bodies were represented at the session:

Economic Commission for Africa
International Trade Centre

5. The following specialized agencies or related organizations were represented at the session:

International Monetary Fund
United Nations Industrial Development Organization
World Trade Organization

6. The following non-governmental organizations were represented at the session:

General category

Ingénieurs du monde
Women's International League for Peace and Freedom